

CLASSIFICATION ~~CONFIDENTIAL~~ CONTROL - U.S. OFFICIALS ONLY

CENTRAL INTELLIGENCE AGENCY 25X1 REPORT

INFORMATION REPORT

CD NO.

COUNTRY Germany (Russian Zone)

DATE DISTR. 2 August 1951

SUBJECT DDR Resolutions for the Better Implementation of Economic Plans

NO. OF PAGES 2

PLACE ACQUIRED

NO. OF ENCLS. (LISTED BELOW)

DATE OF INFO.

SUPPLEMENT TO REPORT NO.

25X1

REFERENCE COPY
NOT CIRCULATE

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE ACT OF U.S.C. 31 AND 32, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

25X1

The following information is [redacted] from [redacted]

25X1 [redacted] a meeting of the Central Committee of the SED [redacted]
 25X1 [redacted] at which resolutions were to be adopted to improve the imple-
 25X1 mentation of the economic plans for 1951 and the Five-Year Plan. Present
 25X1 at the conference were several DDR ministers, state secretaries, functionaries
 25X1 of Land directorates of the SED, and directors of various Vereinigungen
 25X1 Volkseigener Betriebe, Deutsche Handelszentrale and key industries.

1. The general economic plan was exceeded by five percent in the first four months of 1951. The results as a whole are satisfactory. The individual sectors of the economy, however, differed greatly with regard to fulfillment; deficiencies occurred in important sectors such as metallurgy and heavy machine construction. Certain lessons must be derived from this experience. It is necessary to increase productivity by removing administrative restrictions and by subjecting the work of plant managements and administrations to more severe criticism.
2. The ratio of waste material and rejects to total production has risen enormously, particularly in the field of metallurgy. The export plan cannot be carried out, first, because of the failure of heavy machine construction to meet its quota, and secondly, because the machine construction goods produced in general are not suitable for export. At the same time, because of errors in investment policy, these goods cannot be put to use in the DDR. Especially deficient is the performance of the Central Planning Offices for Investment Policy (Zentrale Projektierungsbüros für Investitionsvorhaben). Investment is not made according to plan, and investment planning suffers from absence of a wider perspective on the part of the responsible officials.
3. The conception is dominant that the economic plan, once prepared, will be carried out automatically. This conception is false; it requires hard work to meet the quotas outlined in the plan. The following mistakes have been particularly prevalent:
 - a. The nomenclature used in the production plan is too highly specialized. In the future, planning should be confined to more general terms, and specialization within the larger categories must be left to the organizations which implement the plan.

CLASSIFICATION ~~CONFIDENTIAL~~ CONTROL - U.S. OFFICIALS ONLY

STATE	<input checked="" type="checkbox"/>	NAVY	<input checked="" type="checkbox"/>	NSRB		DISTRIBUTION
ARMY	<input checked="" type="checkbox"/>	AIR	<input checked="" type="checkbox"/>	FBI		ORR

25X1

RETURN TO RECORDS CENTER
IMMEDIATELY AFTER USE
JOB 57-206 BOX 50

Approved For Release 2006/03/01 : CIA-RDP82-00457R008200610011-6

Document No.	011
No Change in	
<input type="checkbox"/> Declared	
Class. [redacted]	TS S (C) 25X1
Date: AUG 16 1951	By [redacted]

~~CONFIDENTIAL~~
SECRET/CONTROL - U.S. OFFICIALS ONLY

CENTRAL INTELLIGENCE AGENCY

25X1

-2-

- b. Plans should be drawn up earlier than has been the practice in the past, to make sure that all participating agencies will promptly obtain the numerical indices established for them and will be able to specify the indices corresponding to their requirements.
- c. The previous production plans must be altered. We must become completely independent of the West, since a total cessation of shipments by the Western powers is shortly to be reckoned with.
- d. At present the full productive capacity of many plants is not being exploited. It is mandatory that the capacity of some factories be fully exploited and that others either be closed or be converted to production of goods urgently needed or previously imported from the West.
- e. The purposeless activity of the planning offices of the ministries of industry must be ended. Projects must follow one farsighted plan.
- f. Subordinate producing units must be granted a greater degree of independence. The principle of independent administration must be strengthened. Where savings of material are accomplished, plants must be granted the right to make additional investments with the funds resulting from such savings. A too strict centralization causes unnecessary restrictions.
- g. The Ministry of Foreign Trade has concluded contracts with the People's Democracies at too late a date. Moreover, the activities of the Ministry have been unduly bureaucratic, since the Ministry has taken over operations which should have been executed by DAIM. In this connection, the work of DAIM must be improved; it must function more independently.
- h. The State Secretariat for Material Supply must be reorganized. The mission of establishing the material distribution plans and the procuring of supplies must be transferred to a greater degree to the ministries for industry. The Deutsche Handelszentrale must be made subordinate to the ministries for industry.
- i. The obligations and responsibilities of the Land governments, the municipal governments and the community administrations for the implementation of economic plans must be broadened in scope.
- j. Plant management must be placed on a new basis. The directors alone must be responsible for the management of their factories and they should not be hindered in their decisions by the SED shop groups. All plants must balance their accounts independently, in accordance with the principle of separate administration.
- k. Available funds are low in all plants. A better method of circulating moneys must be introduced through bank collections. Moreover, methods must be developed to ensure a more timely rendering of monthly financial reports (Bilanzen).
- l. A contract system must be established between consumer and producer, whereby both partners to the contract are required to pay demurrage.

~~CONFIDENTIAL~~
SECRET/CONTROL - U.S. OFFICIALS ONLY